



Committed to the future of rural communities.

Rural Housing Demonstration Program Section 506 (b)

WHAT IS THE RURAL HOUSING DEMONSTRATION PROGRAM?

The Rural Housing Demonstration Program permits demonstrations involving innovative housing units and systems that do not meet existing published standards, rules, regulations, or policies. The Rural Housing Demonstration Program does not provide any grant funds. It makes direct Section 502 Homeownership loan funds available to low and very-low income applicants to purchase innovative housing units and systems that do not meet existing regulations. However, any program requirements that are statutory will remain in effect. The intended effect is to increase the availability of affordable rural housing for low-income families through innovative designs and systems.

HOW ARE APPLICATIONS SUBMITTED AND PROPOSALS REVIEWED?

All interested parties must make a written request for a proposal package. The request must be made to the State Director in the State in which the proposal will be submitted. USDA Rural Development will not be liable for any expenses incurred by respondents in the development and submission of applications. Completed applications that have been determined to carry out the objectives of the program will be considered on a first come, first served basis based on the date a completed application was submitted. An application is considered complete only if the "Application for Approval of Housing Innovation" is complete in content, contains information related to the criteria, and all applicable additional information required by the application form has been provided.

Applicants submitting an incomplete application will be advised in writing of additional information needed for continued processing. USDA Rural Development will review each application for completeness and accuracy. All application packages received by the State Director are evaluated and all acceptable application packages are submitted to the National Office for concurrence. Each acceptable package must include a proposed allocation for the dwellings to be built.

WHAT IS THE PROPOSAL CONTENT?

The innovative housing units and systems must be creative, affordable, durable, energy efficient, and include a diversity of housing types. The proposal must be beyond the "idea" state. The proposed organization or individual must have the experience and "know-how" to implement construction of the housing unit concept in relation to the requirements of USDA Rural Development's housing programs. The proposed cost and price analysis should be in comparison with other proposals and be considered realistic for the efforts planned. Examples of eligible proposals include, but are not limited to: new or improved energy-savings houses, and building techniques that cut costs and improve the quality of rural housing. These innovative housing units should reduce costs, raise living standards, and improve rural area living environments.

For an application packet please contact:

**USDA Rural Development
Texas State Office- Housing Programs
101 S. Main Street, Suite 102
Temple, Texas 76501
(254) 742-9770**

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

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